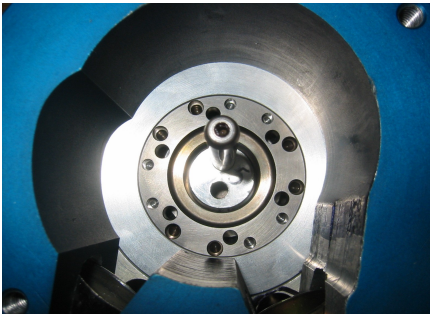


Air Management Systems for Clean Diesels and Fuel Cells



Air is Essential

**Emissions Controls Need Air
Fuel Cells Run on Fuel & Air**

**Clean
Quiet
Precise
Efficient
Cost-Effective**



Active Customers

VAIREX
corporation

ArvinMeritorTM

3M

DELPHI

BALLARD[®]



FIAT

Forschungszentrum Jülich



INTELLIGENT ENERGY



HELION
FUEL CELL MAKER

YAMAHA



VOLVO

OPCON



WÄRTSILÄ



High Technology Air Systems

Compressor, Motor, Controls & Software

Opportunity: Expanded Product Boundaries



Low Pressure

Low Cost
3 Products



Medium Pressure

High Efficiency
2 Products

Markets & Applications

VAIREX
corporation

2006

2007

2008

2009

2010

Customers

Global Fuel Cell & Diesel OEMs

Strategy

Early Engagement

Tactics

Direct Sales



Clean Diesel
Emissions Control
Regulations



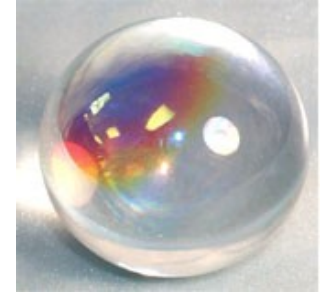
Fuel Cell
Premium Power
Reliability



Fuel Cell
Auxiliary Power
Functionality

Projections

Existing Customers Known Programs Winning Evaluations

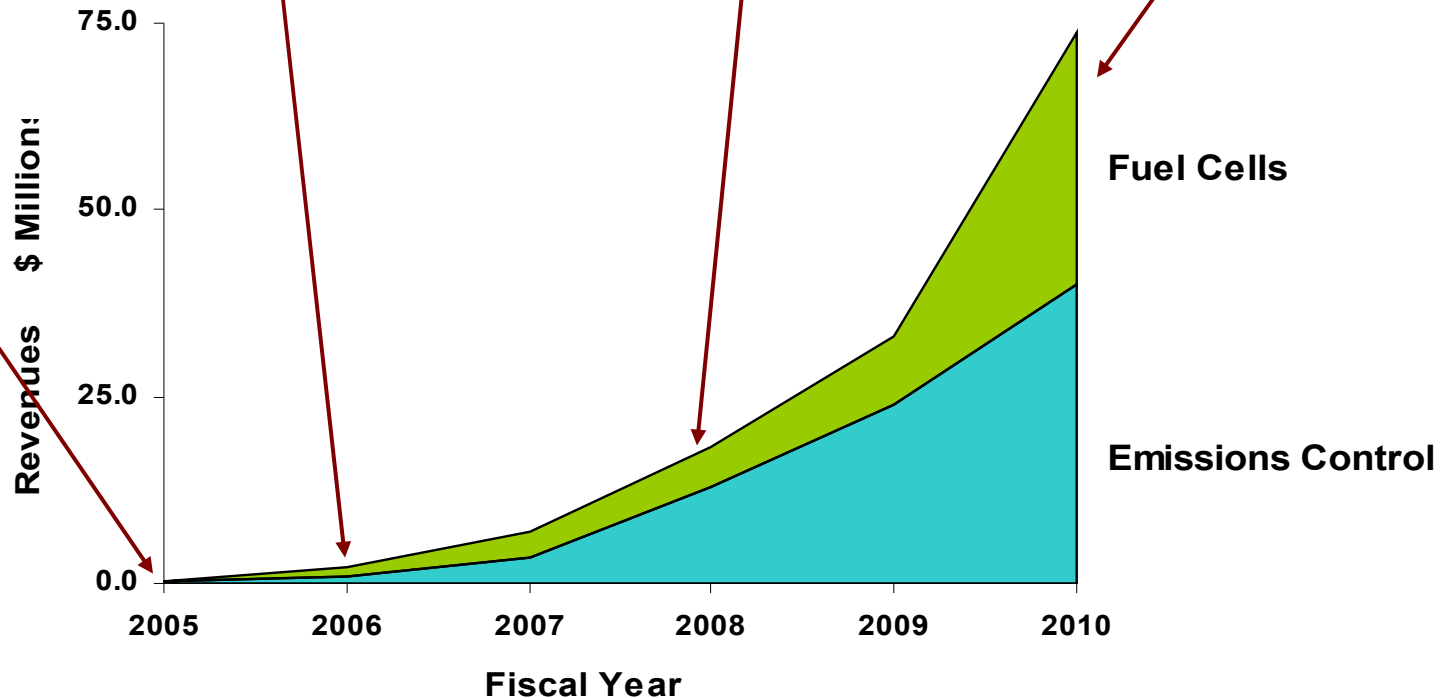


**Evaluation Programs
With 20 Customers
FY 2005**

**First Production
Purchase Orders
FY 2006**

**Profitable on
\$18M Revenues
FY 2008**

**\$10M Net on
\$75M Revenues
FY 2010**





Limited Production

Up to 20,000 Units pa

In Colorado by **VAIREX**



Mass Production

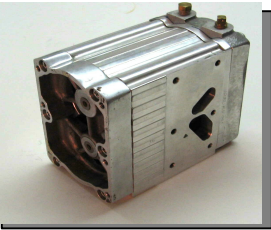
Over 5,000 Units pa-pp

Tecumseh

Equity Investment
Product Development
Mass Production

Competition

VAIREX
corporation



Ametek
Rietschle Thomas
Opcon
Parker



Ski Milburn

Executive & Technical Leadership

BA University of Colorado

Milburn-Sparn, USFilter, Novan Energy

Randall Bye

Engineering, Manufacturing

BSME Cal Poly

Applied Magnetics

Eben Johnson

GM, Emissions Control

BS Carnegie Mellon, MBA UC Davis

Cummins, Raybestos

William Butler

Sales & Marketing

BSEE & MBA Stanford

CMX, Lucasfilm, Bosch

Catherine Milburn

CFO, Operations

BA & MS University of Colorado

Deloitte H+S, Clinicom

Richard Miller

Business Development

BSME Georgia Tech, MBA Harvard

RCA, Connecticut Cellular

Financing Plan



- **Early Rounds**

~\$10 Million

Management, Board & Consultants
Angel Investors in US & UK

10 yrs

Research & Development
Government Contracts

Current Round

\$5 Million

Private Placement to Institutional Investors
Investment Banker: SpencerClarke NYC
\$1 Million Equity Investment by Tecumseh

1-2 yrs

Commercialization
Field Trials

- **Exit Round**

Acquisition or IPO

Strategic Partner or Hot Market

2008-9

Mass Production
Profitable

Summary



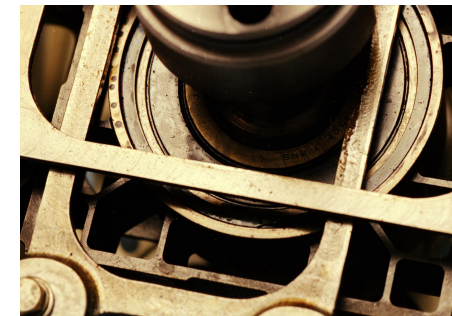
Deep Expertise

*High Technology Air Systems
Experienced Management
EC & FC Applications*



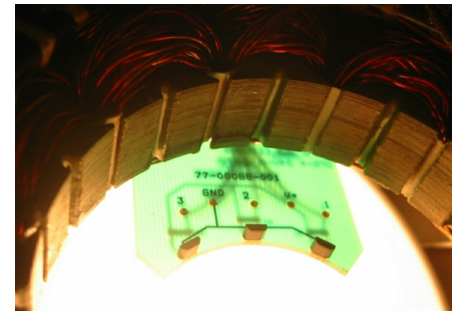
Global, Cross-Industry Supplier

*25 Customers in 12 Countries
5 Products in Limited Production
2 Complimentary Markets*



Defensible Competitive Advantage

*Designed-In Products Inhibit Substitution
Four US Patents, Trade Secrets, Branding
Strategic Partnerships for Mass Production*





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